

CARNEGIE WAVE ENERGY LIMITED
CONTINUOUS DISCLOSURE POLICY

INTRODUCTION

In accordance with the ASX Listing Rules, Carnegie Wave Energy will immediately notify the ASX of information concerning Carnegie Wave Energy that a reasonable person would expect to have a material effect on the price or value of Carnegie Wave Energy's securities ("**price sensitive information**").

The only exception to this requirement is where the ASX Listing Rules do not require such information to be disclosed.

Upon confirmation of receipt from the ASX, Carnegie Wave Energy will post all information disclosed to ASX in accordance with this Policy on its website.

INTERNAL NOTIFICATION AND DECISION-MAKING CONCERNING THE DISCLOSURE OBLIGATION

The Board has designated the Company Secretary as the person responsible to ensure that a system is in place for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

The Company Secretary will be responsible for ensuring that ASX announcements are made in a timely manner. All information in ASX announcements will be vetted by the Company Secretary to ensure that the announcements are factual and do not omit any material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Senior Executives are responsible for ensuring that price sensitive information is provided to the Managing Director as soon as they become aware of it and that it is factual and does not omit any material information. The Managing Director or his delegated representatives will determine whether information is to be disclosed to the ASX.

PROMOTING AND MONITORING COMPLIANCE

The Company Secretary is responsible for monitoring compliance with this policy on a daily basis. All ASX announcements will be reviewed by the Company Secretary to ensure compliance with this Policy.

MEASURES FOR SEEKING TO AVOID THE EMERGENCE OF A FALSE MARKET IN CARNEGIE WAVE ENERGY SECURITIES

Carnegie Wave Energy recognises that a false market in Carnegie Wave Energy's securities may result if Carnegie Wave Energy provides incomplete information to the ASX or if Carnegie Wave Energy fails to respond to market and media speculation that may or may not be likely to have an impact on the price of Carnegie Wave Energy's securities.

While Carnegie Wave Energy does not, in general, respond to market speculation or rumours unless required to do so by law or the ASX, Carnegie Wave Energy is committed to disclosing as much information as is possible, without serious implications to Carnegie Wave Energy, to a wide audience of investors through media releases of important milestones, including information that may not strictly be required under continuous disclosure requirements.

Where appropriate, Carnegie Wave Energy will request a trading halt from the ASX to prevent trading in Carnegie Wave Energy's securities in an inefficient and uninformed market until Carnegie Wave Energy can make an announcement to adequately inform the market.

MEDIA CONTACT AND COMMENT

The Board has designated the Managing Director or his delegated representatives to speak to the press on matters associated with Carnegie Wave Energy. In speaking to the press, the Managing Director or his delegated representative will not comment on price sensitive information that has not already been disclosed to ASX, however, he or she may clarify previously released information.

There will be times when Directors and employees will be approached by the media for public comment. On such occasions the Director(s) or employee(s) should comply with the following:

- refer the person to the Managing Director for comment;
- refrain from disclosing any information, documents or other forms of data to the person without the prior consent of the Managing Director;
- report the person who contacted the director/employee, the reason (explicit or inferred) for the contact and a summary of any other relevant information as soon as possible to the Managing Director.

EXTERNAL COMMUNICATIONS INCLUDING ANALYSTS BRIEFINGS AND RESPONSES TO SHAREHOLDER QUESTIONS

Carnegie Wave Energy discloses its financial and operational results to the market at least each half year as well as informing the market of other events throughout the year as they occur. Half-yearly financial reports, media releases and AGM speeches are all lodged with the ASX and subsequently posted to Carnegie Wave Energy's website. As all financial information is disclosed through the ASX, Carnegie Wave Energy will only comment on factual errors in information and underlying assumptions when commenting on market analysts' financial projections, rather than commenting on the projections themselves.

In addition to the above disclosures, Carnegie Wave Energy does conduct briefings and discussions with analysts and institutional investors. However, price sensitive information will not be discussed unless that particular information has been previously formally disclosed to the market via an ASX announcement. Slides and presentations used in briefings will also be released immediately prior to the briefing to the market via the ASX and posted on Carnegie Wave Energy's website.

If any new price sensitive information is to be used in briefing media, institutional investors and analysts or in answering shareholder queries, written materials containing such information will be lodged with the ASX prior to the briefing commencing. These briefing materials may also include information that may not strictly be required under continuous disclosure requirements. The briefing material will be posted to Carnegie Wave Energy's website as soon as the ASX confirms that this information has been received.

PERIODIC DISCLOSURE

Carnegie Wave Energy is committed to the full and accurate reporting of its financial results. Consequently, when complying with its periodic disclosure requirements Carnegie Wave Energy will provide commentary on its financial results. The purpose of the commentary will be to clarify and balance the information in the financial results and it will be delivered in a manner that is neutral, free from any bias and easy to understand. This may involve the provision of both positive and negative information that Carnegie Wave Energy believes is necessary to keep investors fully informed.